

REMARKS

Reconsideration of the application is respectfully requested on the grounds that:

- Claims 1-6 have been amended to address the objections made on page 2 of the Official Action, and in addition have been amended to more clearly recite the transfer function of the line transfer switch, which essentially disconnects the subscriber line interface and instead connects to a public switched telephone network (PSTN) whenever (i) an incoming call ringing signal is received over the PSTN, (ii) the telephone number dialed is a telephone number of a phone of the PSTN, or (iii) a power failure occurs, disabling the subscriber line interface. At other times, the telephone is connected via the transfer switch to the subscriber line interface so that voice signals can be digitized and sent over the internet, and/or packets received over the internet can be received and converted to analog.
- Claim 4 has been amended to overcome the rejections under **35 USC §112, 2nd Paragraph** and **35 USC §101** by amending claim 4 to positively recite the method as a combination of “steps.” It is noted that the method recited in claim 4 involves situation (i) above, *i.e.*, the situation where an in-coming call ringing signal from the PSTN is detected and the transfer line switch disconnects the subscriber line interface and connects to a “loop” that provides a direct connection to the PSTN.
- Claim 7 has been added to recite situation (iii) in method form, *i.e.*, the situation in which switch-over from the internet to the PSTN occurs when a power failure is detected.

Having thus overcome each of the objections and rejections made in the Official Action, withdrawal of the objections and rejections, and expedited passage of the application to issue, is requested.

Serial Number 09/888,491

Respectfully submitted,

BACON & THOMAS, PLLC

A handwritten signature in black ink, appearing to read 'B. Urcia', with a long horizontal line extending to the right.

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